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TAGS: [ELAB](#) [ETRD](#) [EAID](#) [JO](#) [QIZ](#)
SUBJECT: SLOW BUT STEADY PROGRESS ON QIZ LABOR ISSUES

REF: A. AMMAN 3472
[1](#)B. EMAIL ROSENBERG-SCHWEDT-BROWN-PISANI 6/18/2007

Classified By: Ambassador David Hale, For Reasons 1.4 b,d

[1](#)1. (SBU) Summary: Since the Ministry of Labor (MOL) published a Plan of Action in March 2007, Jordan has been making slow but steady progress on labor issues in the Qualifying Industrial Zones (QIZs). For the first time, a Jordanian court found supervisors in one factory guilty of physical abuse and issued a fine. The Ministry of Labor (MOL) has also begun a regularization process of illegal workers through issuance of around 5,500 temporary ID cards. Although companies remain frustrated with bureaucratic lethargy and lack of labor (Ref A), MOL has slowly been building capacity and the institutional framework to identify and resolve labor issues proactively. End Summary.

[1](#)2. (U) The Ministry of Labor reported that 99 factories in the QIZs employed a total of 52,058 individuals, of which 15,175 were Jordanian and 36,883 were foreign, as of June 30, [1](#)2007. Women, including 9,230 Jordanians and 20,262 foreigners, comprised 57 percent the QIZ labor force. The MOL currently has 91 trained inspectors on staff. USAID-funded MOL Advisor Lejo Sibbel told Econoff and USAID that he expects 20 additional inspectors to be hired within the next two months. Although capacity is still lacking in the MOL, Sibbel said that in 95 percent of the recent QIZ labor cases brought to the MOL's attention, particularly by the National Labor Committee (NLC), the MOL has already identified the issues and been working to resolving them.

Progress: First Conviction for Physical Abuse in QIZ

[1](#)3. (U) After investigating various allegations by the NLC, MOL posted June 30 on its website (www.mol.gov.jo) a first report on inspections issues, which responds to the NLC reports on specific factories and aims to provide more details on inspection reform activities. In one significant case, MOL had been monitoring the working conditions at Cotton Craft factory since the end of 2006. Given that some of the violations alleged by workers fell outside the scope of Jordan's labor law, a GOJ Inter-Ministerial Committee carried out the inspections, and in line with the Committee's recommendations, MOL assisted six workers in filing a legal case against three supervisors who allegedly had slapped these workers. A Jordanian Court found the supervisors guilty and fined them. This was the first time the judicial

system found factory supervisors guilty in relation to complaints of physical abuse. Cotton Craft was sold in June 2007, and MOL continues to monitor an agreement with the new management.

¶4. (U) MOL also posted an update covering April and May to its March 2007 Action Plan that outlines steps taken to directly improve working conditions through enforcement, compliance and enhanced institutional capacity. Some highlights include:

- 43 country-wide inspections from March 30 to May 31 conducted by a nine-person MOL Inspection Force, formally established in March 2007;
- Establishment of a new National Training Center for Labor Inspectors, with ILO providing initial technical assistance;
- Establishment of an Inter-Ministerial Technical Level Committee, composed of working-level staff from the Ministries of Labor, Justice, Interior and Trade and the Intelligence Department, to investigate and respond to non-labor law violations, such as physical and sexual abuse and trafficking; and
- Holding of a workshop, organized May 30-31 by the Jordan Garments, Accessories, and Textiles Exporters' Association (JGATE) and the International Labour Organization (ILO) as part of the GTIP-funded project to raise employers' awareness of the issue of forced labor and trafficking issues.

¶5. (SBU) Minister of Labor Bassem Salem has remained engaged on labor issues in the QIZs. Sibbel noted that Salem personally accompanied MOL inspectors to the Al-Hassan QIZ where approximately 430 Bengali workers from Al Mithaliya factory began a strike on August 2, requesting amendments to their contracts, which currently allow for deductions of food and accommodation from their base salaries, among other demands. Since its adoption in 1996, Article 2 of Jordan's Labor Code has allowed for the possibility of wage components to include payments in kind. Given that the workers launched a strike without giving 14-day notice to employers - as required by the local labor law - and that the demands were inconsistent with the terms in their contracts, MOL found that the workers did not have legitimate cause to strike, making the strike "illegal," and said that they would be fined in accordance with the law. MOL offered to facilitate repatriation for any worker who preferred to return home rather than go back to work. As of August 26, Sibbel said approximately 100 workers whose contract had expired or was about to expire had agreed to return home, with the company paying any overstay fines and airline tickets. Most of the rest of workers on strike appear to have returned to work.

Allegations of Workers Held Against their Will

¶6. (SBU) Following up on Ref B reports from Jones NY headquarters that there were up to 3,000 migrant workers who were not being allowed to leave the country, EconCouns raised the issue with MOL Secretary General Majed Habashneh. Habashneh responded that MOL has been trying to compile better statistics to determine the overall number of employees working without permits, estimated to be approximately 6,700. He listed various reasons for their status, including insufficient paperwork by company management, slow GOJ bureaucracy in processing the paperwork, and penalty fees accrued for lack of worker permits.

¶7. (U) MOL has been working with the JGATE to identify illegal workers and provide temporary ID cards. Sibbel said that the MOL just received the last batch of cards from the manufacturer and as of August 19, had distributed approximately 5,500. The cards will be valid until November 2007. During this period of regularization, companies with legitimate fines will be required to pay them. MOL will request a waiver of fines from the Ministry of Interior for other companies that should not have such financial responsibility - i.e., for taking on workers transferred from another company that the MOL shut down due to gross labor violations. After this period, any individual whom the MOL finds does not have the proper paperwork will be expatriated.

Sibbel estimated that MOL would begin enforcing these regulations in early 2008.

¶8. (U) NOTE: MOL instituted a similar regularization system for illegal Egyptian workers that resulted in issuance of over 12,400 permits to Egyptian laborers submitted at the Egyptian Embassy in Amman. Once the regularization grace period ended, MOL began inspections in mid-July 2007. MOL reported that as of August 20, police had taken into custody 3,857 illegal workers (mostly Egyptians, but also some Syrians and Iraqis), of whom 1,051 were repatriated. A number of those arrested were released for humanitarian reasons. END NOTE.

¶9. (C) Econoff and poloff also spoke with the Jones NY Social Compliance Auditor in Jordan, Kesava Murali, regarding the specific factory allegations. Murali confirmed that he had encountered cases of workers whose contracts had ended but were not being allowed to leave the country, either because their replacement had not yet arrived or because the factory still had to pay penalty fees for lack of worker permits. He could not, however, provide hard numbers, nor confirm that these individuals were being forced to stay in Jordan against their will. He said that the 3,000 number was a rough estimate, assuming that there were at least 30 workers in similar situations in each factory multiplied by 100 factories.

¶10. (C) Murali did identify one factory in particular, Mediterranean Resources Apparel Industry (MRAI), that he claimed had many violations including 900 employees without permits. As Jones NY had decided to cease doing business with MRAI, Murali passed information on the factory to MOL. Sibbel confirmed August 19 that MOL inspected the factory in early August and conducted 225 random interviews with workers. As part of the ongoing investigation, MOL is still gathering information from MRAI to determine the number of workers whose contracts have actually expired. If there are cases in which the factory is holding workers against their will, the MOL will facilitate their repatriation. Sibbel mentioned that MOL had found one other case in which a handful of individuals whose contract had expired were not being released from employment. After the factory gave the excuse that no economy flights had been available, MOL ordered that the workers be returned home, even if business class tickets had to be purchased.

¶11. (U) In general, Habashneh said that the Ministry of Labor can request the Ministry of Interior to issue waivers of penalties or contracts in specific cases, to ensure that no employee is held in the country against his or her will on this basis. Having worked closely with MOL on contract waivers for humanitarian cases, the National Center for Human Rights has offered to provide workers a direct cell phone number in the event they need help with requesting such a waiver. To provide more effective channels of communication for workers to MOL, the Ministry added cell phone numbers to its hotline, which initially only consisted of a landline.

Comment

¶12. (SBU) The GOJ has continued to make slow but steady progress on the labor front. Buyers and factory operators, while not 100 percent satisfied with the speed of implementing the action plan, have indicated that the GOJ is doing a much better job of communicating next steps, in part thanks to the efforts of Sibbel. Ongoing training and recruitment of inspectors should help ease the constraints of limited short-term capacity as well. Other areas that could facilitate labor improvements include: better interagency coordination; thinking beyond inspections to enhancing worker productivity; adopting new technologies and moving to higher-end products; finding ways to attract local labor; and factory acceptance that labor can no longer be used as a cost reducer. Many of these issues will be addressed through the USAID-funded SABEQ program which aims to improve Jordan's competitiveness and the Better Work Jordan program that is

currently being developed by ILO with USAID and other donor support.

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